

Senate Bill No. 319

Passed the Senate September 8, 2005

Secretary of the Senate

Passed the Assembly September 6, 2005

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2005, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 47660 of, and to add Section 42241.3 to, the Education Code, relating to public education funding.

LEGISLATIVE COUNSEL'S DIGEST

SB 319, Migden. Charter schools: funding.

(1) Existing law, the Charter Schools Act of 1992, allows for the establishment of charter schools that operate independently from the existing school district structure as a method of accomplishing specified goals.

Existing law requires a revenue limit to be calculated for each school district and each county superintendent of schools and requires the amount of the revenue limit to be adjusted for various factors.

This bill would, for the 2005-06 fiscal year only, revise, as specified, the revenue limit funding of a unified school district with respect to the funding associated with the average daily attendance of pupils attending a charter school established prior to July 1, 2005, as specified.

(2) Existing law requires the Superintendent of Public Instruction to annually compute a general purpose entitlement, as defined, and a categorical block grant amount, as defined, for each charter school, pursuant to a specified formula.

Existing law requires, for purposes of computing eligibility for, and entitlements to, revenue limit funding, that the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status, as specified, include all attendance of pupils who attend charter schools for which the district is the sponsoring local educational agency and reside in, and would otherwise have been eligible to attend a noncharter school of the district.

This bill, instead, would include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district if the unified school district was a basic aid school district in the prior fiscal year, or if the pupils attended a charter school of a school unified district that converted to charter status on or after January 1, 2005. The bill would also subject to

different funding provisions, as specified, a charter school in a unified school district that was converted to charter status after January 1, 2005, and that would otherwise be subject to the above provisions of existing law.

The people of the State of California do enact as follows:

SECTION 1. Section 42241.3 is added to the Education Code, to read:

42241.3. (a) This section shall apply only to the funding generated by the average daily attendance of pupils attending a charter school established prior to July 1, 2005, for which a unified school district is the chartering authority, and only to unified school districts that were governed by Section 47660 as that section read on December 31, 2005.

(b) For the 2005-06 fiscal year only, the revenue limit funding of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606 and is operating them as charter schools, shall be increased or decreased to reflect half of the difference between the funding provided for the unified school district's revenue limit per unit of average daily attendance as set forth in Section 42238 and the charter school's general-purpose entitlement per unit of average daily attendance as set forth in Section 47633.

SEC. 2. Section 47660 of the Education Code is amended to read:

47660. (a) For purposes of computing eligibility for, and entitlements to, general purpose funding and operational funding for categorical programs, the enrollment and average daily attendance reported by a sponsoring local educational agency shall exclude the enrollment and attendance of pupils in its charter schools funded pursuant to this chapter.

(1) Notwithstanding subdivision (a), and commencing with the 2005-06 fiscal year, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the

school district, if the school district was a basic aid school district in the prior fiscal year, or if the pupils reside in the unified school district and attended a charter school of a school district that converted to charter status on or after to July 1, 2005. Only the attendance of the pupils described by this paragraph shall be included in the calculation made pursuant to paragraph (7) of subdivision (h) of Section 42238.

(2) Notwithstanding subdivision (a), for the 2005-06 fiscal year only, for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606 and is operating them as charter schools, shall include all attendance of pupils who reside in the unified school district and who would otherwise have been eligible to attend a noncharter school of the unified school district if the pupils attended a charter school established in the unified school district prior to July 1, 2005. Only the attendance of pupils described by this paragraph shall be included in the calculation made pursuant to Section 42241.3.

(c) Commencing with the 2005-06 fiscal year, for the attendance of pupils specified in subdivision (b), the general-purpose entitlement for a charter school that is established through the conversion of an existing public school within a unified school district on or after July 1, 2005, shall be determined using the following amount of general-purpose funding per unit of average daily attendance, in lieu of the amount calculated pursuant to subdivision (a) of Section 47633:

(1) The amount of the actual unrestricted revenues expended per unit of average daily attendance for that school in the year prior to its conversion to, and operation as, a charter school, adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for unified school districts in the year of conversion to and operation as a charter school.

(2) For a subsequent fiscal year, the general-purpose entitlement shall be determined based on the amount per unit of average daily attendance allocated in the prior fiscal year

adjusted for the base revenue limit per pupil inflation increase adjustment set forth in Section 42238.1, if this adjustment is provided, and also adjusted for equalization, deficit reduction, and other state general-purpose increases, if any, provided for unified school districts in that fiscal year.

(d) Commencing with the 2005-06 fiscal year, the general-purpose funding per unit of average daily attendance specified for a unified school district for purposes of paragraph (7) of subdivision (h) of Section 42238 shall be deemed to be the amount computed pursuant to subdivision (c).

(e) A unified school district that is the chartering authority of a charter school that is subject to the provisions of subdivision (c) shall certify to the Superintendent the amount specified in paragraph (1) of subdivision (c) prior to the approval of the charter petition by the governing board of the school district. This amount may be based on estimates of the unrestricted revenues expended in the fiscal year prior to the school's conversion to charter status and the school's operation as a charter school, provided that the amount is recertified when the actual data becomes available.

(f) For the purposes of this section, "basic aid school district" means a school district that does not receive from the state an apportionment of state funds pursuant to subdivision (h) of Section 42238.

(g) A school district may use the existing Standardized Account Code Structure and cost allocation methods, if appropriate, for an accounting of the actual unrestricted revenues expended in support of a school pursuant to subdivision (c).

Approved _____, 2005

Governor